

NuStar Energy L.P.
Form 10-Q
August 05, 2014

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 1-16417

NUSTAR ENERGY L.P.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

74-2956831
(I.R.S. Employer Identification No.)

19003 IH-10 West
San Antonio, Texas
(Address of principal executive offices)

78257
(Zip Code)

Registrant's telephone number, including area code (210) 918-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of common units outstanding as of July 31, 2014 was 77,886,078.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

NUSTAR ENERGY L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Thousands of Dollars, Except Unit Data)

	June 30, 2014 (Unaudited)	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$49,076	\$100,743
Accounts receivable, net of allowance for doubtful accounts of \$301 and \$1,224 as of June 30, 2014 and December 31, 2013, respectively	254,824	281,310
Receivable from related parties	144	51,084
Inventories	112,838	138,147
Income tax receivable	4,551	826
Other current assets	40,265	39,452
Assets held for sale	6,420	21,987
Total current assets	468,118	633,549
Property, plant and equipment, at cost	4,622,845	4,500,837
Accumulated depreciation and amortization	(1,277,709)	(1,190,184)
Property, plant and equipment, net	3,345,136	3,310,653
Intangible assets, net	64,959	71,249
Goodwill	617,429	617,429
Investment in joint ventures	72,908	68,735
Deferred income tax asset	5,057	5,769
Note receivable from related party	—	165,440
Other long-term assets, net	322,172	159,362
Total assets	\$4,895,779	\$5,032,186
Liabilities and Partners' Equity		
Current liabilities:		
Accounts payable	\$172,869	\$298,751
Payable to related party	14,311	8,325
Accrued interest payable	33,624	33,113
Accrued liabilities	37,256	38,632
Taxes other than income tax	10,815	9,745
Income tax payable	2,873	4,006
Total current liabilities	271,748	392,572
Long-term debt	2,726,629	2,655,553
Long-term payable to related party	40,432	41,139
Deferred income tax liability	29,152	27,350
Other long-term liabilities	18,459	11,778
Commitments and contingencies (Note 5)		
Partners' equity:		
Limited partners (77,886,078 common units outstanding as of June 30, 2014 and December 31, 2013)	1,823,354	1,921,726
General partner	41,355	43,804

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Accumulated other comprehensive loss	(56,339) (63,394)
Total NuStar Energy L.P. partners' equity	1,808,370	1,902,136	
Noncontrolling interest	989	1,658	
Total partners' equity	1,809,359	1,903,794	
Total liabilities and partners' equity	\$4,895,779	\$5,032,186	

See Condensed Notes to Consolidated Financial Statements.

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NUSTAR ENERGY L.P. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited, Thousands of Dollars, Except Unit and Per Unit Data)

	Three Months Ended June 30, 2014	2013	Six Months Ended June 30, 2014	2013
Revenues:				
Service revenues	\$259,562	\$231,451	\$488,900	\$457,210
Product sales	490,183	670,563	1,110,058	1,442,990
Total revenues	749,745	902,014	1,598,958	1,900,200
Costs and expenses:				
Cost of product sales	473,755	648,766	1,068,714	1,401,020
Operating expenses:				
Third parties	84,565	79,664	161,971	161,468
Related party	30,972	31,651		